

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7072

BILL NUMBER: SB 332

DATE PREPARED: Jan 4, 2001

BILL AMENDED:

SUBJECT: Annexation of noncontiguous property.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill provides for the following:

(A) It allows the town of Selma in Delaware County to annex territory that:

- (1) is not contiguous to the town
- (2) is entirely within the boundaries of the township in which the town is located
- (3) is to be used for a factory
- (4) is owned by a property owner who consents to the annexation.

(B) Annexed territory may not be considered part of the town for purposes of annexing additional territory or expanding the town's extraterritorial jurisdiction.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (A) When territory is annexed, services need to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If an ordinance for annexation does not take place or is defeated, then the municipality would not have to make these expenditures.

Explanation of Local Revenues: (A) The annexation of property broadens the property tax base, which tax rates are based on. If the legislative body of a municipality, under the population constraints provided in the bill, passed an ordinance to annex territory, the existing taxpayers in the municipality could see some rate reduction and the annexed taxpayers could see a rate increase.

State Agencies Affected:

Local Agencies Affected: Town of Selma, Delaware County.

Information Sources: Association of Indiana Counties County Fact Book.